

**RESOLUTION NO. 74448**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE ADOPTING WHOLESALE RECYCLED WATER RATES FOR THE SOUTH BAY WATER RECYCLING PROGRAM EFFECTIVE JULY 1, 2008**

**WHEREAS**, the City of San Jose is the administering agency for the San Jose/Santa Clara Water Pollution Control Plant (WPCP) and, as such, has entered into agreements with water retailers to provide wholesale recycled water service through the South Bay Water Recycling Program (SBWR); and

**WHEREAS**, the agreements stipulate that the wholesale rate for recycled water shall provide an economic incentive to recycled water customers and shall be identified in a rate schedule to be established by the City Council of the City of San Jose; and

**WHEREAS**, on March 4, 1997, the City Council of the City of San Jose adopted Resolution No. 67182 setting a basic wholesale recycled water rate of \$240/acre-foot and economic incentives (wholesale discounts) of \$60 and \$240/acre-foot respectively for recycled water used for landscape and agricultural/industrial use; and

**WHEREAS**, on June 14, 2004, the City Council of the City of San Jose adopted Resolution No. 72167 revising the wholesale recycled water rate to be indexed to the price of untreated water as approved by the Santa Clara Valley Water District (SCVWD) after July 1, 2004 and to adjust the wholesale discounts; and

**WHEREAS**, the current wholesale discounts can be reduced in view of the growing acceptance of recycled water use and in order to bring revenue from the sale of recycled water closer to the service delivery costs;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. The basic wholesale price shall continue to automatically increase by the same dollar amount as any increase in the price of untreated water approved by the Santa Clara Valley Water District (SCVWD) after July 1, 2004; and

2. The following discounts shall apply to the basic price for any water delivered by a water retailer for landscape irrigation use provided that the water retailer taking delivery of the recycled water has an established discounted retail rate for recycled water for landscape irrigation, to provide an incentive to customers to purchase and use recycled water in lieu of potable water for landscape irrigation:

Effective July 1, 2008 - \$145/acre-foot

Effective July 1, 2009 - \$125/acre-foot

Effective July 1, 2010 - \$105/acre/foot

3. Effective July 1, 2008, a discount of \$345 per acre-foot shall apply to the basic price for any water delivered by a water retailer to agricultural and industrial users provided that the water retailer taking delivery of the recycled water has an established discounted retail rate for recycled water for such users, to provide an incentive to customers to purchase and use recycled water in lieu of potable water for such uses.

**NOW, THEREFORE,** BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

ADOPTED this 17<sup>th</sup> day of June, 2008, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, CONSTANT, CORTESE,  
LICCARDO, NGUYEN, OLIVERIO, PYLE, WILLIAMS,  
REED.

NOES: NONE.

ABSENT: NONE.

DISQUALIFIED: NONE.

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CHUCK REED  
Mayor

ATTEST:

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LEE PRICE, MMC  
City Clerk